



Press Release

Release Date: October 5, 1999

For immediate release

The Federal Open Market Committee decided today to leave its target for the federal funds rate unchanged.

Strengthening productivity growth has been fostering favorable trends in unit costs and prices, and much recent information suggests that these trends have been sustained.

Nonetheless, the growth of demand has continued to outpace that of supply, as evidenced by a decreasing pool of available workers willing to take jobs. In these circumstances, the Federal Open Market Committee will need to be especially alert in the months ahead to the potential for costs to increase significantly in excess of productivity in a manner that could contribute to inflation pressures and undermine the impressive performance of the economy.

Against this background, the Committee adopted a directive that was biased toward a possible firming of policy going forward. Committee members emphasized that such a directive did not signify a commitment to near-term action. The Committee will need to evaluate additional information on the balance of aggregate supply and demand and conditions in financial markets.

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Last update: October 5, 1999